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8 April 1966

SHOULD LIMITED WAR BE PROGRAMMED SEPARATELY

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RALPH J. RICHARDS, JR.

Colonel, Finance Corps



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Should Limited War Be Programmed Separately

by

Colonel Ralph J. Richards, Jr.
Finance Corps

US Army War College
Carlisle Barracks, Pennsylvania
8 April 1966

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SUMMARY

Since 1962, the "Five Year Force Structure and Financial Program" has provided the Secretary of Defense with a means for effecting organized direction and control over the peacetime activities of the uniformed services. Prior to the advent of this instrument, proposed programs did not have to be so comprehensively and precisely defined and they did not have to be costed in minute detail to be included in the President's Budget. While this situation undoubtedly left much to be desired in terms of today's more sophisticated management practices, the services enjoyed relative flexibility in executing their programs. When unanticipated emergencies developed for which monies had not been specifically provided, they could usually be financed by "savings" made in executing programs or by diverting funds from lower priority programs which were either eliminated or curtailed. In those instances when the requirement for funds was significant, supplemental appropriations could be requested of Congress. Today, unanticipated emergencies continue to be financed in essentially the same manner, but since the estimates are much more precise, the "savings" from executed programs are usually of a much smaller magnitude, if they exist at all. Because of this situation and the frequency with which emergencies such as Berlin, Cuba and Vietnam have occurred during the past three years, there has been concern expressed by many persons that the "Five Year Force Structure and Financial Program" is not adequate for dealing with similar eruptions that are bound to occur in the future. These persons contend that since the instrument is structured to manage peacetime activities, it is too rigid to cope with wars of any magnitude. They further contend that if the instrument is to be used for dealing with limited wars, then a separate program should be established for that purpose. Underlying these contentions is the belief that if a separate program is established there will be a better opportunity for obtaining resources greater than those now provided. The purpose of this thesis is to examine these contentions.

An analysis of the "Five Year Force Structure and Financial Program" and the major events included in the budgeting process reveals that a separate program for limited war, in itself, will not assist the Army in obtaining additional resources. On the contrary, since there is no meaningful basis for determining forces required only for limited war, reductions might be made by higher authorities if forces so designated are overstated. In any event, the designation of separate forces for limited war could impair the Army's flexibility in responding to other threats.

This thesis concludes by stating that a separate program should not be established for limited war and that whenever it is necessary to focus attention on limited war requirements, this objective can

be achieved by specifically identifying pertinent activities within the current spectrum of "The Five Year Force Structure and Financial Program."

CHAPTER 1

INTRODUCTION

The election of the late President John F. Kennedy and the appointment of Mr. Robert S. McNamara as Secretary of Defense led to significant changes in the budgetary practices of the military services. Upon taking office in January 1961 the President instructed the Secretary of Defense to:¹

1. Develop the force structure necessary to our military forces without regard to arbitrary budget ceilings; and,
2. Procure and operate this force at the lowest possible cost.

In dealing with this formidable task, the Secretary of Defense in conjunction with his Comptroller, Mr. Charles J. Hitch, developed a decisionmaking process based upon the concept set forth in a book² which the comptroller coauthored prior to his appointment. Fundamentally, this process focuses upon detailed cost estimates and provides for military alternatives to be evaluated in terms of their economic characteristics. The end product of this decisionmaking process is identified officially as the "Five Year Force Structure and Financial Program."

¹US Congress, House, Subcommittee of the Committee on Department of Defense Appropriations, Hearings, Department of Defense Appropriations for 1963, 87th Congress, 2nd Session, 1962, p. 4.

²Charles J. Hitch, and Roland N. McKean, The Economics of Defense in the Nuclear Age, Cambridge, Massachusetts, Harvard University Press, 1963, p. 422.

THE FIVE YEAR FORCE STRUCTURE AND FINANCIAL PLAN

Tying together the numerous and often heterogeneous forces and activities of the military services, the "Five Year Force Structure and Financial Plan" (hereinafter referred to as "The Five Year Program") is mission oriented. In this regard, as suggested by their titles, the individual programs which comprise the "Five Year Program" are structured to reflect the purposes and objectives of the different military forces and to categorize the activities which augment and provide for their support:³

Program I - Strategic and Retaliatory Forces

Program II - Continental Air and Missile Defense Forces

Program III - General Purpose Forces

Program IV - Sealift and Airlift Forces

Program V - Reserve and Guard Forces

Program VI - Research and Development

Program VII - General Support

Program IX - Military Assistance

Paramount among its many purposes, the "Five Year Program," provides the Secretary of Defense with a means for direction and control of the peacetime activities of the uniformed services. By providing a framework for translating plans into specific objectives and courses of action and by setting forth alternatives which permit

³The Army Program Manual, Headquarters, Department of the Army, Office of the Adjutant General, 17 Jun. 1963, p. 2-1.

a meaningful allocation of available resources, the "Five Year Program" enables the Secretary to look at the defense effort as a whole, to establish priorities in terms of the total program, and to make timely and effective management decisions which maintain balance among all elements within the military spectrum. Stated more succinctly and with a different focus, the "Five Year Program" provides the bridge between military plans and resource allocations. It serves as a basis for developing the military estimates that are included in the President's Budget and for justifying those estimates to higher authorities.⁴

To be sure, the "Five Year Program" and the system by which it is maintained are having a significant impact upon the budgeting practices of the individual services. In this regard, the writer has observed that military and civilian personnel alike are being increasingly challenged by the need to identify and defend proposed programs in terms of detailed cost estimates and meaningful alternatives. In developing estimates, costs must be projected over a five year period and be identified in terms of research and development, initial investment, and operational requirements.⁵ Proposals which are not adequately supported have little chance of being approved. And, even when proposals are so supported they frequently are not approved unless they are of sufficient priority to warrant

⁴Department of Defense Instructions 7045.1, DOD Programming System, 30 Oct. 1964, pp. 1-11.

⁵Ibid., pp. 1-2.

an allocation of the monies that are expected to be made available for defense.⁶ In this regard, the writer believes Army proposals, in general, are better prepared than ever before; however, unless they relate to the war in Vietnam or to strategic considerations they usually are not approved.

CAUSE FOR CONCERN⁷

Prior to the advent of the "Five Year Program" proposed programs did not have to be so comprehensively and precisely defined and they did not have to be costed in minute detail to be included in the President's Budget. While this situation undoubtedly left much to be desired in terms of today's more sophisticated management practices, the services enjoyed relative flexibility in executing their programs. When unanticipated priority requirements developed, such as emergencies in Lebanon or Laos, for which monies had not been specifically provided, these requirements could usually be financed by "savings" made in executing programs or by diverting funds from lower priority programs which were either eliminated or curtailed. In those instances when the requirement for funds was significant, supplemental appropriations could be requested of

⁶Writer's discussions with key personnel at the decisionmaking level within the Office of the Secretary of Defense, 10 Dec. 1965.

⁷The data included under this heading, except as otherwise indicated, are the writer's beliefs based upon his experience on the Army Staff and in the Army Materiel Command during the period December 1960 thru June 1965. The writer also believes that these data reflect the general concensus of those persons interviewed in preparing this study.

Congress. Today, unanticipated priority requirements continue to be financed in essentially the same manner, but since estimates are much more precise, the "savings" from executed programs are usually of a much smaller magnitude, if they exist at all. Because of this situation and the frequency with which emergencies such as Berlin, Cuba and Vietnam have occurred during the past three years, there has been concern expressed by many persons that the "Five Year Program" is not adequate for dealing with similar eruptions that are bound to occur in the future. An early expression in this regard was made by Secretary Hitch:⁸

In the limited war sphere accomplishments have been less impressive (i.e., in the Five Year Program). We have made a good deal of progress on some facets of the general problem - tactical aircraft, non-nuclear aircraft, munitions, airlift and sealift, among others. We have also made a good start on the analysis of requirements for ground forces, Army procurement and support aircraft. But I would be less than candid if I did not tell you that we have a long ways to go on these problems.

While Secretary Hitch's concern was focused essentially on the work yet to be done in improving the scope and content of the basic programs which comprise the "Five Year Program," the concern expressed by certain persons in the Army is substantially different. These persons contend that since the "Five Year Program" is structured to manage the peacetime activities of the uniformed services it is too rigid to cope with wars of any magnitude. They further contend

⁸Charles J. Hitch, "Plans, Programs and Budgets in the Department of Defense," Operations Research, Jan.-Feb. 1963, pp. 1-17.

that if the "Five Year Program" is to be the principal instrument for dealing with limited wars, then a separate program should be established for that purpose. Underlying these contentions is the belief that if a separate program is established for limited war, there will be a better opportunity for identifying requirements and for obtaining resources greater than those now provided.

TOPIC FOR RESEARCH

Since the close of World War II the writer has continuously engaged in some aspect of military management relating to personnel, logistics, and financial resources. During this period, he has performed duties involving programs and budgets within the Army General Staff at the Department of the Army, and within the headquarters of major commands in the United States and in overseas areas. Because of this experience and an intense interest in the "Five Year Program," the writer became especially interested in dealing with the contention that limited war should be programmed separately. In exploring this matter, his interest was particularly stimulated by the fact that the contentions were found to be controversial at the highest levels of military management. For these reasons, the writer concluded that he would examine this controversy by dealing with the research question which is the title of this study: Should Limited War be Programmed Separately?

In selecting this question and in making the study which follows, the writer wishes to make it abundantly clear that the value judgments he expresses are not criticisms of higher authorities

or that he regards himself as possessing the solution to this serious matter. However, he hopes that by placing the issue in perspective and by expressing his own conclusions, he may make some contribution in dealing with the financing of limited war.

DEFINITION OF LIMITED WAR

For the purpose of this study, the term "limited war" is considered to encompass low and mid-intensity warfare as defined by the Chief of Staff, United States Army. This definition is reflected at the beginning of Chapter 2.

SOURCES OF DATA

The data used in making this study were obtained from committee hearings, reports, and enactments of the United States Congress; from official records, directives and regulations; and, from other material dealing with the subject. The principal sources of these data are reflected in the bibliography. Data were also obtained by personal interviews with key personnel within the Office of the Secretary of Defense and the Department of the Army. For obvious reasons, it would be inappropriate and infeasible for these persons to be identified.

ORGANIZATION OF THE STUDY

In the next chapter we shall examine the "Five Year Program" as it pertains to the Army and determine what would be involved in establishing a separate program for limited war. Based upon our

findings we shall turn our attention in Chapter 3 to the budget process and to the Army's basic appropriations. Here we shall set the framework for examining the probabilities of obtaining greater resources if limited war is programmed separately. Finally, in Chapter 4 we shall analyze the programming controversy and answer the research question and suggest courses of action which should lead to an improved capability for financing limited war.

CHAPTER 2

THE FIVE YEAR PROGRAM - ITS SPECIFIC APPLICABILITY TO LIMITED WAR

Before we endeavor to evaluate the contentions expressed by proponents on both sides of the controversy as to whether there should be a separate program for limited war, let us identify that portion of the spectrum of warfare which is at issue. In a speech at Fort Bliss, Texas, on March 22, 1965, General Harold K. Johnson, Chief of Staff, United States Army cited three types of conflict and the basic Army missions pertinent to each.¹

First, nuclear war or high-intensity warfare, which involves the application of the most modern military technology in maneuver, firepower (and here I include nuclear and other advanced weapons), intelligence and command. As long as the United States, as the most powerful of the free nations, maintains pre-eminence in this capability there is no possibility that the present deterrent to Communist challenge will be eroded.

Second, conventional war or mid-intensity warfare, which involves a capability to fight successfully for limited objectives under definitive policy limitations as to the extent of the destructive power that can be employed or the extent of the geographical area that might be involved.

Third, stability operations or low-intensity warfare, which involve actions to establish, regain or maintain control of land areas threatened by guerrilla action, revolution, subversion or other tactics aimed at initial takeover. This mission may require direct employment of United States combat forces alongside allied forces or it may require United States advice

¹Harold K. Johnson, Landpower Missions Unlimited, Speech delivered at the Civilian Aides Conference, Fort Bliss, Texas, 22 Mar. 1965.

and combat support for allied forces in the form of individual Army advisors and small supporting units such as we now are furnishing in Vietnam.

For purposes of this study we shall embrace the spectrum of warfare described by the Chief of Staff and we shall hold that low-intensity warfare and mid-intensity warfare constitute that portion of the spectrum which is at issue.

SHARPENING THE CONTROVERSY

Since the "Five Year Program" currently identifies forces, materiel and facilities for coping with all types of conflict, we shall sharpen the controversy by determining the included programs that would have to be modified if a separate program were established for limited war. In proceeding with this determination we shall eliminate "Program I - Strategic Retaliatory Forces" and "Program IX - Military Assistance" from our consideration, since the Army has no programming responsibilities for either of these programs.² And, we shall examine the remaining programs, in turn, based upon their ascending applicability to limited war. The first program which merits our attention is Program II.

PROGRAM II - CONTINENTAL AIR AND MISSILE DEFENSE FORCES

As suggested by its title, this program encompasses those forces that are identified with weapon systems, warning and

²The Army Program Manual, Headquarters, Department of the Army, Office of the Adjutant General, 17 Jun. 1963, p. 2-4.

communication networks, and ancillary equipment that detect, identify, track and destroy unfriendly forces approaching the North American Continent. More specifically, this program includes Civil Defense and those forces that are assigned to Headquarters of the Army Air Defense Command and its subordinate organizations which are responsible for operating surface-to-air missile systems such as the Nike-Hercules and the Missile Master.³

Because of their well defined mission, the forces included in this program are not engaged in any activity that is peculiar to limited war. For this reason, we shall eliminate this program from further consideration since it is not pertinent to the controversy being examined in this study.

PROGRAM IV - AIRLIFT AND SEALIFT FORCES

Of all Army programs, this program has the most limited scope in that it pertains only to the operation of CONUS and overseas ports, port facilities and related sub-installations which provide for cargo and passenger transshipments.⁴ Because of their very nature, however, the activities included in this program have a vital role in national defense at all times and they are not susceptible to being fragmented for identification with a particular type of conflict. By recognizing this significant characteristic, there can be no doubt that this program is not germane to the controversy we are examining.

³Ibid., p. 2-4.

⁴Ibid., p. 2-13.

PROGRAM V - RESERVE AND GUARD FORCES

The forces included in this program consist of Army Reserve and Army National Guard personnel who are not on active duty but who receive pay for their drill and other training. Fundamentally, these forces are organized and maintained to provide a reservoir of trained units and individuals that are available for active duty in the event of national emergency. While these forces may be ordered to active duty as they were during the crises in Berlin and Cuba to deal with limited war situations, their primary missions are oriented to the air defense of the United States and to conflicts which have escalated to intensities of general conventional or nuclear war.⁵

In view of the preceding and because these forces are composed of individuals whose call to active duty can be effected only by the President and the Congress, there is sufficient evidence that these forces are not intended to be used over protracted periods in pursuing limited wars. Based upon this evidence we shall conclude that Program V should not be modified to identify any individual or unit with a separate program for limited war.

PROGRAM VII - GENERAL SUPPORT

The numerous activities which are encompassed in this program support the entire Army on a world-wide basis. Because of their

Ibid., pp. 2-13, 2-14.

heterogeneous nature they have been structured into several broad categories: individual training and education; intelligence and security; communications; logistical support; medical services; command and general support; the Defense Atomic Support Program; Office of the Secretary of Defense support; and, Industrial Funds. Normally these activities are CONUS based or they are centrally administered.⁶

With very few exceptions, the activities included in this program cannot be singularly identified with any type of conflict nor can they be meaningfully fragmented for that purpose. To illustrate this situation a brief examination of each broad grouping is appropriate.

INDIVIDUAL TRAINING AND EDUCATION

Basically, individual training embraces three broad categories: (1) Basic recruit and replacement training which is conducted at training centers and stations; (2) career training which emphasizes military doctrine, strategy and tactics; and (3) special skill training in fields such as missile maintenance, aircraft mechanics, electronic equipment repair, financial management, languages, and the operation of the complex and intricate weapons and equipment of the modern Army. While part of this training is obtained from civilian educational institutions, the vast majority is accomplished

⁶Ibid., p. 2-45.

within the Army service schools and colleges that provide resident instruction.⁷

INTELLIGENCE AND SECURITY

The Army Attache System and the Army activities engaged in central intelligence and in collecting and disseminating information for internal and industrial security are covered by this grouping. Also, this grouping includes the Army's mapping and geodesy activities which produce and distribute maps, map auxiliaries, geodetic data and other Engineer intelligence studies.⁸

LOGISTICAL SUPPORT

The activities included in this grouping may be structured into three smaller units: (1) those that supply the Army; (2) those that provide for industrial preparedness; and, (3) those that overhaul and rebuild the Army's equipment. In the first unit, the supply management and procurement offices and the supply depots constitute the supply lifeline to Army forces throughout the world. Together they catalog and determine the Army's materiel requirements, and, in turn, effect their receipt, storage and issue. The activities in the second unit plan with private industry for production during mobilization and they insure that the Army's idle production facilities are protected and maintained for immediate

⁷Ibid., p. 2-45.

⁸Ibid., p. 2-47.

use when required. The CONUS depot maintenance activities included in the final unit overhaul, repair and modify equipment, renovate ammunition, prepare maintenance publications, and furnish technical assistance and engineering effort to facilitate maintenance and correct deficiencies.⁹

MEDICAL SERVICES

The medical and dental care of persons serving on active duty, their dependents, and other authorized personnel are effected by the hospitals, clinics, laboratories and other medical facilities included in this grouping. When authorized care cannot be provided within government facilities and treatment is accomplished in civilian hospitals, the Office for Dependents Medical Care makes appropriate payment.¹⁰

COMMAND AND GENERAL SUPPORT

The Department of the Army, headquarters of major field commands, the Alternate Joint Communications Center and MAAGs and missions are the principal activities which constitute this group. Lesser activities also included are disciplinary barracks, recruiting, examining and induction stations (CONUS) and those which engage in the promotion of rifle practice and the disposition of remains.¹¹

⁹Ibid., p. 2-53.

¹⁰Ibid., p. 2-56.

¹¹Ibid., p. 2-58.

DEFENSE ATOMIC SUPPORT PROGRAM

This grouping is limited to the military and civilian personnel who perform operational and management functions for the Defense Atomic Support Agency.¹²

OFFICE OF THE SECRETARY OF DEFENSE SUPPORT

This grouping is also limited to personnel who are assigned in support of joint activities and agencies of the Department of Defense. Identified as joint activities are organizations such as: Headquarters, Atlantic Command; Headquarters, SAC Atlantic; Headquarters, Joint Task Force Eight; Inter-American Defense Board; Brazil Defense Commission; OSD; Office of the Joint Chiefs of Staff; and the Inter-American Defense College. The Department of Defense Agencies include the Defense Communications System; the Defense Supply Agency; and the Defense Intelligence Agency.¹³

INDUSTRIAL FUNDS

Army Industrial Funds are revolving funds to provide working capital at chartered industrial and commercial type activities. These funds initially finance the production of goods and services for the three military departments and other government agencies, and they are reimbursed when payment is made by the customer concerned.

¹²Ibid., p. 2-60.

¹³Ibid., p. 2-60.

Currently Industrial Funds are identified at nineteen commercial and industrial type activities. Four of these activities are depot maintenance shops which overhaul and repair materiel; two are laboratories performing research and related functions on chemical and biological agents, and on fuses and intelligence devices; two are proving grounds testing delivery systems and protective equipment; ten are arsenals performing research and engaging in limited quantity manufacturing with respect to guided missiles, artillery, small arms, ammunition, special weapons, and hazardous biological, radiological, and chemical materials; and, one is a pictorial center producing motion pictures, film strips, recordings and television programs on military activities.¹⁴

In reflecting on the numerous and diverse activities which we have just discussed, we may generally conclude that they cannot be singularly identified with limited war nor can they be meaningfully fragmented for that purpose. There are, however, certain activities which could be so related. In this regard, a rather comprehensive study titled "Planning and Programming Forces for Stability Operations" (Classified SECRET) recently completed within the Department of the Army reflects that the Army Intelligence School, certain MAAGs and missions, and the Inter-American Defense College could be candidates for such treatment. While the writer believes that the Army Intelligence School has a broader mission than training for limited

¹⁴ Ibid., p. 2-60.

war, he also believes that the study identifies all of the activities which could be included in a separate program for that purpose.

PROGRAM VI - RESEARCH AND DEVELOPMENT

All of the Army's research, development, test and evaluation activities that relate to items which have not been approved for production and deployment are included in this program. To facilitate the identification and management of these activities the program is structured in six categories: Research; Exploratory Developments; Advanced Developments; Engineering Developments; Management and Support; and, Operational Systems Development.¹⁵ Within each of these categories, the activities that are relatively homogeneous are further integrated into units called "elements". And, the works to be performed within each element are separately and respectively identified as projects and tasks. To illustrate this fragmentation, let us briefly examine the scope of the six basic categories and then focus our attention on their respective sub-divisions to determine their singular applicability to limited war.

RESEARCH

The effort in this category is directed to obtaining increased knowledge of natural phenomena and environment and to solving problems in the physical, behavioral and social sciences that have no precise

¹⁵ Ibid., p. 2-24.

military application. By definition, all of the Army's basic research is included in this grouping as well as that applied research which is directed toward the expansion of knowledge in various scientific areas.¹⁶

EXPLORATORY DEVELOPMENTS

The significant characteristic of the effort included in this grouping is that it is oriented toward specific military problems with a view to developing and evaluating feasible and practical solutions short of major development projects.¹⁷

ADVANCED DEVELOPMENTS

The development of hardware for experimental or operational tests provides the focus for the effort included in this category. More specifically, the hardware dealt with in this category has not yet been designed or engineered for production and deployment. The VTOL Aircraft and the Heavy Lift Helicopter are specific examples.¹⁸

ENGINEERING DEVELOPMENTS

This grouping includes those development programs for hardware that is being engineered for service use but which has not been approved for procurement or operation.¹⁹

¹⁶Ibid., p. 2-24.

¹⁷Ibid., p. 2-26.

¹⁸Ibid., p. 2-31.

¹⁹Ibid., p. 2-33.

MANAGEMENT AND SUPPORT

The activities which support the aircraft, construction, laboratories, and test ranges that are required for research and development use are identified in this final grouping which is germane to this study. The final grouping in the program structure, "Operational Systems Development" is a memorandum account to accumulate cost and other data relating to research efforts included in other programs.²⁰

Based upon the above examination there can be little, if any, doubt that the first and the last two categories are not singularly related to limited war. However, when we reflect upon the titles of the elements included in the other three categories which are reflected in Appendix I, there is evidence that projects peculiar to limited war could be specifically identified within their scope. To the extent that such projects are so included, they could be withdrawn and incorporated into a separate program for limited war.

PROGRAM III - GENERAL PURPOSE FORCES

All combat forces of the active Army (other than those in Program II) and their command and logistical support units are identified in this program according to the mission or geographical area to which they are assigned. In this regard, the forces identified with each mission area are sub-divided into two major

²⁰Ibid., p. 2-42.

aggregations - Combatant Forces and Command and Support Forces.

Included in the first aggregation are those forces which are organized, equipped and trained for the express purpose of conducting combat or combat support operations. Ordinarily, these units are assigned to Field Armies, Corps and comparable smaller commands. The second aggregation is composed of logistical and support forces whose missions are to furnish services, to care for the sick and wounded, to construct and maintain facilities, and to acquire, store, maintain and issue or dispose of materiel. Also included in the second aggregation are administrative and command forces, which support unified, NATO, and other allied forces and nondefense agencies, and those which staff a theatre headquarters and its directly related units.²¹

Since the forces included in this program are structured to deal with any conflict that may occur in the foreseeable future, including limited war, they vary significantly in size, weaponry, and mobility among other characteristics.

While it is not practical to identify all of these forces and to deal specifically with their unique characteristics within the scope of this study, many of these differences are suggested in Table 1 which reflects the types of units that are included in the General Purpose Forces.

In view of the preceding discussion, we may note that the manner in which the forces included in this program are structured

²¹Ibid., p. 2-6.

Table 1

Types of Units Included In General Purpose Forces (Combatant Forces Only)

Divisions

Infantry
Armored
Airborne
Mechanized
Provisional Air Mobile Units
Brigades

Battalions (with missile capability)

Nike Hercules
Hawk
Mauler
Honest John
Little John
Redstone
Corporal
Sergeant
Lacrosse
Pershing
Missile Commands
Special Forces
Aviation Companies

Other

Army and Corps headquarters units
Armored group headquarters
Armored cavalry regiments
Separate field artillery units (non-missile)

Separate battalions

Infantry
Mechanized
Tank
Combat engineer
Signal

Separate companies

Tank
Combat engineer
Airborne reconnaissance

²²Ibid., pp. 2-7, 2-11.

by type of organization, mission area and military capability makes it relatively easy for appropriate units to be designated for inclusion in a separate program for limited war. Likely candidates for such treatment might be certain air mobility, infantry, and airborne divisions, combat engineer, signal, and artillery battalions and units identified as special forces. At this point in the study we shall not pursue this matter more specifically for we shall do so when we deal with the research question in Chapter IV. We may conclude, however, that the General Purpose Forces Program would probably require modification if a separate program is established for limited war. And, we may also conclude that Program III could be modified accordingly as required.

SUMMARY

In this chapter we have defined limited war and we have sharpened the controversy underlying this study by examining all of the Army programs to determine the extent that they could be meaningfully modified if a separate program is established for limited war. As a result of this examination we have concluded that Programs II, IV, and V would not require modification in that they are not singularly applicable to limited war in any respect. We have also concluded that Programs III and VI would probably require modifications in varying degrees, and that little, if any, modification would have to be made in Program VII.

To proceed with this study, let us turn to the next chapter and examine the budget process to determine the probability of obtaining greater resources if limited war is programmed separately.

CHAPTER 3

THE COMPETITION FOR FINANCIAL RESOURCES

During discussions with individuals who advocate a separate program for limited war, the writer was impressed that their seriousness of purpose stemmed from a belief that such action would enable the Army to justify to higher authorities a need for additional resources. He was also impressed that this belief seemed to stem from past experiences, such as those relating to Lebanon and Laos, when resources had to be diverted from other purposes to deal with the unanticipated requirements generated by these emergencies. In pursuing these discussions, however, the writer became convinced that many of these persons possessed limited knowledge of the budgeting process. In this regard, they indicated a lack of familiarity with what is involved in translating program estimates into the President's Budget and in obtaining monies from the Congress and other higher authorities. Since the writer's experience leads him to conclude that an understanding of the budgeting process is essential to determining whether limited war should be programmed separately, we shall direct our attention to this process and examine the events that are pertinent to this study.

FOUR FUNDAMENTAL EVENTS

Although the budgeting process involves numerous and detailed actions on the part of many persons at all levels of command, the writer's experience has permitted him to conclude that there are

four fundamental events at the highest levels of government which merit our attention:

1. The identification of estimates in the Five Year Program;
2. The inclusion of estimates in the President's Budget;
3. The enactment of appropriations by Congress; and,
4. The release of spending authority for executing approved programs.

ESTIMATES IN THE FIVE YEAR PROGRAM

We have already noted in Chapter 1 that the Five Year Program is a bridge between military plans and resource allocations in that it provides a framework for budget estimates to be projected five years in advance for programs that are approved by the Secretary of Defense. In order that these estimates may be updated and new programs may be included to keep pace with changing requirements, a formal program change control system has been established whereby changes to the Five Year Program can be recommended and effected at any time.

PROGRAM CHANGE PROPOSALS

Program Change Proposals (PCPs) which are the instruments used to update the Five Year Program may originate from any source within the Department of Defense. However, the vast majority of the PCPs that relate to Army programs are initiated by the Army Staff. To insure that appropriate action is taken on significant proposals,

the Secretary of Defense has directed that PCPs exceeding certain criteria must be submitted to his office. These criteria are known as "thresholds", and, in effect, they are upper limits on costs which cannot be exceeded without his personal approval or approval by his Deputy.¹

TYPES OF THRESHOLDS

For all practical purposes, the Secretary's thresholds are conveniently grouped into three "cost type" categories: (1) Research and Development; (2) Investment; and, (3) Operating. The "Research and Development" category includes those costs that are primarily associated with the development of a new capability to the point where it is ready for operational use. "Investment" costs are those costs required beyond the development phase to introduce a new capability into operational use. "Operating" costs are recurring costs that are required to operate and maintain the new capability.² The current thresholds prescribed by the Secretary are shown in Table 2.

Within the prescribed limits, the Army is authorized to institute "Below Threshold" changes to the Five Year Program. However, as indicated in Table 2, when the change requires resources greater than the total previously approved, the proposal must be submitted to the Secretary or his Deputy for appropriate action.

¹Department of Defense Instruction 7045.1, 30 Oct. 1964, p. 6.

²Ibid., p. 3.

TABLE 2

PROGRAM THRESHOLDS

PRESCRIBED BY THE SECRETARY OF DEFENSE
(\$ in Millions)

Thresholds	First Program Year	Total Program
Research and Development		
New Program Elements	0	0
Changes to Program	10	25
Investment		
Items Under Development	10	25
Changes to Program Elements	10	25
Matériel Items	10	25
Construction Projects	5	5
Operating Costs		
Changes to Program Elements	20	50

³Ibid., p. 8.

INITIATION AND ROUTE OF PROGRAM CHANGE PROPOSALS

When proposed changes are forwarded to the Secretary of Defense for decision, they are prepared on standard forms that require very detailed information. The scope of these forms and the extensive instructions relative to their preparation are set forth in Department of the Army, Chief of Staff, Regulations 11-2 which are listed in the bibliography. For the reader's convenience, the type of essential information included in these forms is shown in Table 3. After the proposal has been prepared, it must travel a long and winding route to obtain a decision. For example, when a proposal is initiated by the Army Staff the route traveled is shown in Table 4.³

LIKELIHOOD OF PCPS BEING APPROVED

Notwithstanding the time and effort required to prepare and defend program change proposals, the proportion that are approved is not favorably impressive. Based upon data for calendar year 1965 provided by the Comptroller of the Army upon the writers request (the latest available to the writer in preparing this study) 104 Program Change Proposals were prepared by the Army Staff for review and approval by the Secretary of the Army. Of this total, only 51 proposals totaling \$7,050,700,000 and covering a four year

³US Dept of the Army, Office of the Chief of Staff, Chief of Staff Regulations No. 11-2, Army Programs, 17 Mar. 1965.

TABLE 3

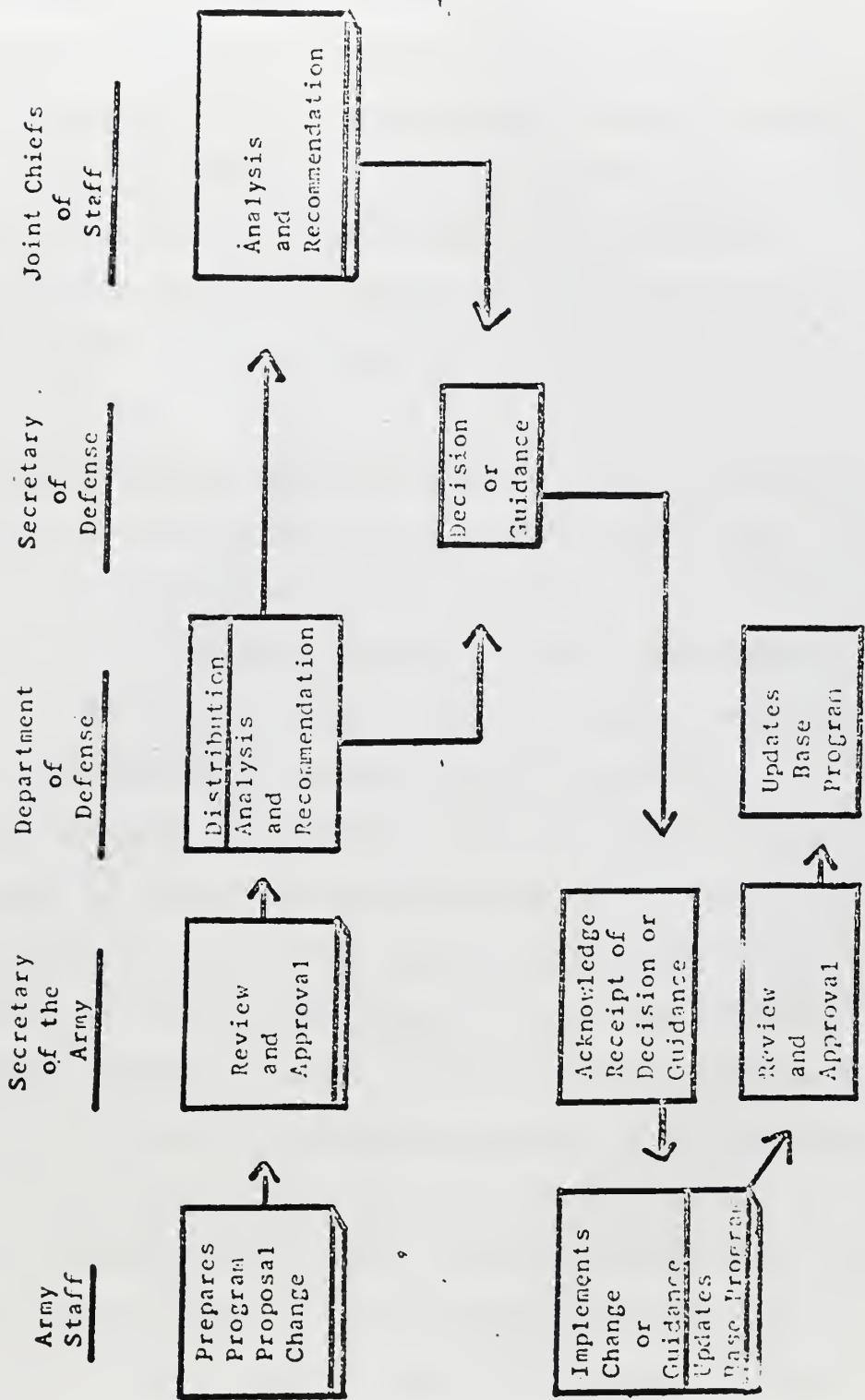
PROGRAM CHANGE PROPOSAL CONTENT

What you want and why you want it	-Identification of Element -Ultimate Objective -Basis for Change -R&D Status -Facilities	When you want the money and how much	-Year of Funding -Year of Delivery -R&D Costs	Requirements vs Availability	-Savings -Implications -Manpower Requirement -Specific Approval -Financing in Current & Budget FY -(S/A Signature)
			-Investment Costs (MCS & PMA) -Operating Costs (OJA & MPA) -Force/Item Objectives -First Line Life		

4 Ibid.

TABLE 4

ROUTE TRAVELED BY PROGRAM CHANGE PROPOSAL THAT IS INITIATED BY ARMY STAFF



⁵Ibid.

period were approved by the Secretary of the Army for submission to the Secretary of Defense. Although this action by the Secretary of the Army recognized less than 50 percent of the Army Staff's stated requirements, the Secretary of Defense authorized only 40 of these proposals to be included in whole or in part in the Five Year Program. As shown in Table 5, the Secretary of Defense in taking this action approved only \$612,500,000 which is less than 10% of the amount recommended by the Secretary of the Army.

Estimates in the President's Budget. -- Although we have noted that much effort is expended in obtaining approval for estimates to be included in the Five Year Program, there is no guarantee that any estimate reflected in the Five Year Program will be included in the President's Budget. Military requirements are constantly changing and estimates cannot be predicted accurately five years in the future. The programs to which they relate cannot be ranked in meaningful priority until they are considered at a particular point in time with reference to the national economy, domestic developments, and the threats of the international situation. Because of these and other considerations, the writer has frequently observed while serving on the Army Staff and in the Army Materiel Command that the estimates in the Five Year Program pertinent to the budget year under consideration are used primarily as guidance or "control figures" for developing the President's Budget. In this regard, the estimates for each

TABLE 5

CURRENT YEAR 1965 PROGRAM CHANGE PROPOSALS
(\$ in Millions)

Appropriation	No. Approved Sec of Army	\$ Amt Approved			No. Approved Sec of Defense	\$ Amt Approved		
		1965	1966	1967		1966	1967	1968
DDTC, A	18	741.1	820.3	812.2	625.5	11	58.2	14.4
DDTC, A	4	52.9	--	--	--	3	17.5	--
ICIA	16	117.5	154.3	131.4	141.2	10	36.4	59.1
IRPA	15	300.7	426.4	516.3	486.7	9	24.1	45.7
OMIA, A	28	390.6	420.6	463.5	449.5	23	29.8	32.4
OMIA, A	81	1602.8	1821.6	1923.4	1702.9	56	166.0	139.8
TOTAL ACTIONS Program Change Proposals	51					40	145.0	161.7

^a Program Change Proposal may contain actions effecting more than one appropriation

SOURCE: Office of The Comptroller of the Army, Statistics Division, Data compiled upon writer's request

of the Army's appropriations (described later in this chapter) which are distributed throughout the Five Year Program are regrouped and their totals serve as the upper limits the Army is to observe in presenting its budget to the Secretary of Defense.

In observing these control figures the Army Staff determines their equitable distribution among the several major commands based upon their mission and the type of funds involved. The staff then directs each command to develop its budget based upon the amounts assigned.⁵ If a command's requirements exceed these amounts, they may be identified accordingly and submitted to the Army Staff where they are evaluated in terms of priority within the Army's total program.⁶

In general, the budgets submitted by major commands are based upon detailed data generated by their subordinate installations.⁷ Upon their receipt by the Army Staff, they are intensely examined and evaluated to insure that the most defensible estimates are presented to the Secretary of Defense. Notwithstanding these efforts, however, we may note in Table 6 that the Secretary has historically made significant reductions in the Army's estimates. We may also note that even though the Secretary of the Army requested only 25.7 percent of the reduction be restored, the Secretary of Defense approved a much lesser amount.

⁴ Army Regulations No. 37-13, Financial Administration, Budget Procedures, 10 Jan 1964, p.1-5.

⁵ Ibid., p.3-1

⁶ Ibid., p.3-2

⁷ Ibid., p.2-2

TABLE 6

REDUCTIONS MADE IN ARMY FUND REQUIREMENTS
DURING BUDGET REVIEWS BY OSD and DOD
(\$ in Millions)

Appropriation Fiscal Years	Number of Specific Reductions	Total Reductions	Reclassas by Army		Approved by DOD Number	\$ Value
			Number	\$ Value		
<u>FMIA</u>						
1963	2	-73.0	-0-	-0-		
1964	3	-1305.5	-0-	-0-		
1965	56	-6114.4	8	179.5	5	55.2
<u>DEPT OF THE ARMY</u>						
1963	1	-360.0	2	8.0		
1964	3	-152.0	1	53.6	1	14.3
1965	11	-234.7	4	63.8	1	2.0
<u>DOA</u>						
1963	18	-114.9	12	55.0	4	6.9
1964	51	-370.8	11	40.7	6	20.5
1965	39	-134.2	23	105.6	10	36.9
<u>DPA</u>						
1963	14	+148.8	7	28.1	1	1.1
1964	19	-376.7	5	35.3	2	4.1
1965	23	-18.2	12	21.0	3	2.8
<u>OMIA</u>						
1963	80	-344.7	33	227.6	7	25.7
1964	126	-158.3	39	240.7	17	17.0
1965	89	-242.4	30	54.3	3	5.5
Total						
1963	126	-743.8	54	318.7	12	33.7
1964	204	-2,363.3	56	372.3	26	55.9
1965	219	-1,240.9	77	424.2	22	102.4

SOURCE: Office of The Comptroller of the Army, Statistics Division. Data compiled based on writer's request.

The reductions made by the Secretary of Defense are not necessarily indicative of the Army's inability to defend its requirements. Instead, they are primarily due to the manner in which the total defense budget is determined. More specifically, during recent discussions with key personnel within OSD, the writer gained the distinct impression that the amounts approved for the Army were based primarily on the force structure authorized the Army. This authorization is established following the Secretary of Defense's analysis of Programs I, II and III, in terms of the international threat and other considerations, and his determination of the total forces required during the budget year. In this regard, the writer gained the impression that after the resources required for maintaining these forces were determined, the funds to be allocated among the remaining programs which support these forces were approximated in terms of an order of magnitude, based upon reasoned judgments as to the relative cost that should be attributed to such support. In reflecting upon these impressions, the writer believes that they meaningfully explain why reductions are made in the Army's estimates and why certain programs have to be eliminated or curtailed according to their priority in the total defense effort.

ENACTMENT OF APPROPRIATIONS BY THE CONGRESS

The reductions made in the Army's estimates by the Secretary of Defense are usually followed by reductions made by Congress. In Table 7, the actions taken by Congress on the President's Budget for the fiscal years 1962 through 1966 are reflected for the Army's five

TABLE 7

CONGRESSIONAL ACTION ON ARMY BUDGET
 FISCAL YEARS 1962 THRU 1966
 (\$ in Thousands)

Appropriation	President's Budget	Amounts Allowed by		Actually Appropriated
		House of Rep	Senate	
<u>PEMA</u>				
FY 1962	2,564,000	1,991,360	2,543,642	2,532,602
1963	2,555,000	2,500,000	2,555,000	2,520,000
1964	3,202,000	2,958,894	2,931,094	2,931,094
1965	2,081,000	1,958,400	1,958,400	1,958,400
1966	2,035,900	2,018,600	2,017,600	2,017,600
<u>RDT&E, A</u>				
FY 1962	1,205,400	1,202,700	1,203,700	1,203,200
1963	1,329,000	1,317,000	1,323,000	1,319,500
1964	1,469,900	1,363,141	1,391,141	1,386,141
1965	1,397,000	1,340,000	1,340,000	1,340,000
1966	1,464,300	1,432,700	1,432,700	1,432,700
<u>MCA</u>				
FY 1962	194,977	147,450	176,512	157,934
1963	234,344	199,478	193,634	181,272
1964	221,164	200,293	207,070	200,646
1965	408,000	311,200	314,000	306,500
1966	448,900	327,200	339,500	330,900
<u>MPA</u>				
FY 1962	3,697,000	3,202,000	3,737,000	3,697,000
1963	3,733,000	3,643,300	3,643,300	3,643,300
1964	3,885,000	3,785,000	3,785,000	3,785,000
1965	4,306,000	4,306,000	4,306,000	4,306,000
1966	4,342,600	4,336,000	4,332,300	4,332,300
<u>O&M, A</u>				
FY 1962	3,716,000	3,330,460	3,747,710	3,735,710
1963	3,402,000	3,403,345	3,411,845	3,408,345
1964	3,395,200	3,361,000	3,375,643	3,369,071
1965	3,463,000	3,429,000	3,444,000	3,439,000
1966	3,379,100	3,475,200	3,483,600	3,483,600

12 Ibid.

major appropriations. As will be noted, the Senate usually approves a greater amount than the House of Representatives; and, after conference, the amount that is finally appropriated is somewhere between the two. During discussions with key personnel in the Office of the Comptroller of the Army the writer learned that the increased amount enacted for the O&M,^A appropriation in FY 1962 and FY 1963 was used primarily to finance costs generated by the Berlin crisis.

Since the appropriations enacted by Congress are structured on a functional basis which is substantially at variance from the mission oriented components of the Five Year Program, a brief examination of each appropriation may be useful to the reader.¹³

PROCUREMENT OF EQUIPMENT AND MISSILES, ARMY (PEMA)

The procurement from private contractors and the production in government arsenals of major items of combat and support equipment are financed by the PEMA appropriation. In addition, this appropriation finances the acquisition of major parts for supporting the equipment when it is in use; the industrial facilities necessary to produce that equipment; and, the major modification of older equipment where such modernization will preclude the procurement of new items. The materiel categories covered by this appropriation are aircraft; aircraft replenishment and spare parts; missiles and spare

¹³The Budget of the United States Government for the Fiscal Year Ending June 30, 1966: U.S. Government Printing Office, Washington, D.C.

parts; weapons and combat vehicles; tactical and support vehicles; communications and electronic equipment; ammunition; other support equipment; and production base support.¹⁴

Although monies are not separately appropriated for each line item of equipment included in the request for PEMA funds, Congress reviews the "shopping list" accompanying the request and approves specific quantities and amounts for each item in determining the magnitude of monies to be appropriated.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY (RDT&E,A)

The Research, Development, Test and Evaluation, Army appropriation provides the principal support of Army activities engaged in research, exploratory development, and the development of new weapons and equipment. In addition, the appropriation finances the procurement of items under development for test and evaluation, and the operation and maintenance of research laboratories and testing facilities. The functional categories included in this appropriation are: military sciences; aircraft, missiles, military astronautics and their respective related equipment; ships, small craft, ordnance, combat vehicles and their related equipment; other equipment; and program-wide management and support.¹⁵

¹⁴ Army Regulations No. 37-100-66, Financial Administration, The Army Management Structure (Fiscal Code), 12 Apr. 1965, Chap. 6.

¹⁵ Ibid., Chap. 7.

MILITARY CONSTRUCTION, ARMY (MCA)

The acquisition, construction, installation and equipment of public works, military installations and facilities for the Army are financed by the MCA appropriation. The functional categories included in this appropriation are major construction; minor construction; planning; and supporting activities.¹⁶

Like the PEMA and RDT&E, A appropriations, the MCA appropriation is line item oriented in that each construction project for which monies are appropriated is specifically identified. Unlike these two appropriations, however, monies are appropriated for each construction project only after the project has been authorized by separate legislation. (Two exceptions need to be made regarding this last statement: (1) prior authorization for construction projects relating to emergencies such as those in Vietnam is not required; and, (2) prior authorization is required for aircraft and missiles financed by the PEMA appropriation).

MILITARY PERSONNEL, ARMY (MPA)

This appropriation finances the pay and allowances of Army personnel on active duty and of cadets enrolled at West Point and provides for subsisting enlisted personnel. When Army personnel are reassigned, MPA funds pay for their travel and the travel performed by their dependents, as well as the movement and commercial

¹⁶ Ibid., Chap. 8.

storage of their property. MPA funds are also used for paying expenses incurred in apprehending deserters and escaped military prisoners, interest on soldiers deposits; and, death gratuities to beneficiaries of all Army members.¹⁷

OPERATIONS AND MAINTENANCE, ARMY (O&M,A)

The day-to-day operations of the active Army are financed by the Operations and Maintenance Appropriation. In addition, this appropriation provides funds for maintaining and operating facilities that are used for recruiting, training, administering and supporting these forces; and for maintaining a mobilization base for emergencies or war.

While the categories included in the appropriations we have previously examined combine into a relatively homogenous unit to achieve a singular objective such as paying personnel, buying equipment, conducting research or constructing facilities, the categories in the O&M,A appropriation are complex and heterogeneous. An awareness of these unique characteristics is provided by the language typically used by Congress in specifying the purposes for which this appropriation is enacted:¹⁸

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Army, including administration; medical and dental care of personnel

¹⁷Ibid., Chap. 4.

¹⁸The Budget of the United States Government for the Fiscal Year Ending June 30, 1964: U.S. Government Printing Office, Washington, D.C.

entitled thereto by law or regulation (including charges of private facilities for care of military personnel on duty or leave, except elective private treatment), and other measures necessary to protect the health of the Army; care of the dead; chaplain's activities; awards and medals; welfare and recreation; recruiting expenses; transportation services; communication services; maps and similar data for military purposes; military surveys and engineering planning; contracts for maintenance of reserve tools and facilities for twelve months beginning at any time during the current fiscal year; repair of facilities; hire of passenger motor vehicles; tuition and fees incident to training of military personnel at civilian institutions; field exercises and maneuvers, including payments in advance for rentals or options to rent land; expenses for Reserve Officers Training Corps and other units at educational institutions, as authorized by law; not to exceed \$4,500,000 for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Army and payments may be made on his certificate of necessity for confidential military purposes and his determination shall be final and conclusive upon the accounting offices of the government, \$3,395,200,000 of which not less than \$239,000,000 shall be available only for the maintenance of real property facilities.

Because of the O&M,A appropriation's lack of homogeneity, Congress limits the amounts that may be spent for each category within this appropriation. As a result, separate amounts are specified for operating forces; training activities; central supply activities; major overhaul and maintenance of materiel; medical activities; and all other Army-wide activities.

THE RELEASE OF SPENDING AUTHORITY FOR EXECUTING APPROVED PROGRAMS

Although approximately one year of continuing effort is devoted to developing and justifying the Army's financial estimates that are included in the President's Budget, the Army is required to update and rejustify its estimates to OSD and the Bureau of the

Budget before it is granted authority to spend monies that Congress appropriates for its use. The actions relating to this requirement usually commence a short time after the President's Budget is submitted to Congress in early January; and, they are essentially completed in the latter part of May when the updated estimates are rejustified during formal budget hearings. Fundamentally, the objectives expected to be achieved by these actions are to insure that maximum benefit is derived from the monies appropriated by Congress, and that these monies are spent for approved programs unless there are valid justifications for diverting them to finance other requirements.¹⁹

NEED FOR REJUSTIFYING BUDGET ESTIMATES²⁰

The need for updating and rejustifying the Army's budget estimates can be placed into perspective by turning our attention briefly to each appropriation. For the MCA appropriation, there is relatively little need to reexamine all construction projects before monies are released (i.e. apportioned) since each project has been clearly defined and its requirement and expected cost have been well established by the regular budgetary process. Similarly, unless there is to be a substantial change in the number of Army personnel

¹⁹Army Regulations No. 37-15, op. cit., pp. 2-1, 2-2.

²⁰The discussion under this title is based on the writer's experience on the Army Staff and in the Army Materiel Command during the period December, 1960 thru June 1965. The discussion also reflects the consensus of key personnel in the Department of the Army interviewed by the writer.

on duty during the budget year than initially predicted, or these personnel are to be assigned throughout the world significantly at variance from earlier plans, there is relatively little need to update and rejustify estimates for the MPA appropriation. For the PEMA and RDT&E,A appropriations, however, there is a much greater need because of the nature of the work their monies respectively finance.

More specifically, for the RDT&E,A appropriation, the estimates reflected in the President's Budget for individual research and development projects, and their included tasks, are at best only order of magnitude projections that are based upon the best judgment that can be exercised at the time of their development. Since this judgment must be based upon the state of the art and the status of each project at that time, the estimates will have to be changed if unforeseen problems are encountered or unexpected breakthroughs are achieved. When either of these unanticipated events occur, a project may be able to be completed on an accelerated basis, or it may have to be cancelled or conducted over a greater period of time at an excessive cost. Also, depending upon the nature of the project, a decision may be made to terminate effort at once because of political, economic or other considerations.

Like the RDT&E,A appropriation, estimates included in the President's Budget for the numerous weapons and items of materiel to be financed by the PEMA appropriation are also order of magnitude and are based on the best judgment which can be exercised at the time the estimates are developed. Although precise quantities and

unit costs can often be established for these items, the projected costs may have to be revised prior to apportionment depending upon the economic situation that is expected to pertain when procurement contracts are negotiated with industry. The prescribed quantities may have to be changed for many reasons. For example, to cite but a few of these reasons, the requirement for an item may change because of the international situation, or because of a breakthrough in technology which will cause the item to become obsolete. Further, in those instances where PEMA estimates include amounts for items in the final stage of development that are expected to be standardized for procurement during the budget year, the requirement may change if the item is not standardized as scheduled.

Because of the fact that the O&M,A appropriation finances a host of unrelated heterogeneous activities which constitute the Army's dynamic day-to-day operations, and because the vast majority of these activities cannot be precisely evaluated in terms of unit costs and quantities of work, there is little need to elaborate why the estimates need to be updated and rejustified.

Regardless of the Army's effectiveness in justifying its budget estimates, history indicates that there is zero probability that the initial amounts released for spending to the Army will be totals that the Army is ultimately authorized to spend during the budget year. In addition to the reasons cited above, the principal reason is that higher authorities withhold amounts at the beginning of the fiscal year which they believe have not been fully justified and these amounts are later released when appropriate justifications are

presented during the budget year or when it is necessary to finance unanticipated high priority requirements.

SUMMARY

In this chapter we have discussed the budgeting process and we have examined the four fundamental events in the process that take place at the highest levels of government. During these examinations, we have dealt with the procedures for including estimates in the Five Year Program and we have reviewed the manner in which they are revised during subsequent reviews directed by the Secretary of Defense, Congress, and the Director of the Budget. We have also discussed the five major appropriations which finance the active Army. Of particular significance, one fact is readily apparent from the data in Tables Number 6 and 7 -- even though estimates for a separate program may be included in the Five Year Program, there is no assurance that those estimates will actually result in funds being provided to the Army. While, indeed, there may be no arbitrary budget ceilings, there most certainly is a limit on the amounts that may be spent for defense. As stated by Mr. Hitch while he was serving as Assistant Secretary of Defense, Comptroller:

... when I say we have eliminated the use of arbitrary budget ceiling in formulating the defense budget, I do not mean to imply that there are no constraints whatsoever on the size of the Defense Budget at any particular time and under any particular set of circumstances. Certainly, if the international situation worsens, the value of an additional increment would be relatively greater than before in relation to the other needs and concerns of the United States Government. But all too many people interpret

'no arbitrary budget ceilings' to mean no limits on resources, and ²¹this can never be - in peace or in war, here or abroad.

Let us turn at this time to the next chapter, where we shall deal specifically with the programming controversy and the question for research.

²¹Operations Research, Plans, Programs and Budgets in the Department of Defense, Vol. 11, Jan.-Feb. 1963, p. 8.

CHAPTER 4

ANALYSIS OF THE PROGRAMMING CONTROVERSY

As stated earlier in this study, the proponents of a separate program for limited war believe that the program will assist the Army in obtaining greater resources for carrying out its mission. Further, they believe that it will preclude resources from being diverted from approved programs to cope with emergencies as they have in the past. To deal with these contentions, let us raise four basic questions:

1. What forces are required for limited war?;
2. Should forces be identified solely for limited war?;
3. To what extent should current programs be modified?;

and,

4. What is the probability of additional resources being made available to the Army?

WHAT FORCES ARE REQUIRED FOR LIMITED WAR?

Irrespective of whether the spectrum of limited war is defined as set forth in the preceding chapter or is limited to conflicts of lower intensity, the answer to this basic question provides the catalyst essential to establishing a separate program for limited war. Until these forces are determined there is no meaningful basis for modifying current programs or for recommending that the Army be provided with additional resources.

To be sure, there are many variables and uncertainties that must be evaluated in making this determination. To mention but a few, we may cite the nature of the threats in various parts of the world as they relate to our national objectives and strategy; the capabilities of unfriendly nations to pursue insurgency and limited war type aggression; and the climate, terrain, and other geographical factors that are peculiar to each area involved. We may also cite the types of weapons and logistical support that would be required by Army forces in each area; for, most likely, they would be different. In this regard, we need only to refer to the helicopters that have had such an important role in Korea and Vietnam. These aircraft would be relatively useless in a conflict where the enemy enjoys a competent air capability or anti-aircraft defense.

In general, adequate intelligence data are available for dealing with the preceding. And, indeed, they are used in determining the composition of the General Purpose Forces identified in Program III whose missions include but are not restricted to limited war. Nevertheless, these data cannot be meaningfully employed for determining the forces required solely for limited war until the boundary between limited war and general war is specifically defined. The point is significant, for if separate forces are to be programmed for limited war and justified accordingly, there needs to be a basis for determining when a conflict escalates to general war so that limited war forces can be withdrawn (or replaced) and used for their intended purpose.

During recent discussions with key personnel at the decision-making level within the Department of the Army, the writer learned that this boundary had not been defined. And, he gained the impression that a meaningful definition would probably not be forthcoming in the near future. Without this definition there is no basis for answering the basic question we have just discussed; and, no useful purpose would be served by examining the different types of forces previously used in dealing with emergencies of varying magnitudes and duration. To continue this study, however, we shall assume that, in time, the forces required solely for limited war can probably be determined; and, we shall proceed to the next question.

SHOULD FORCES BE IDENTIFIED SOLELY FOR LIMITED WAR?

An affirmative response to this question would be made by those individuals who advocate such a program. For they contend that this identification would reflect to higher authorities the magnitude of forces engaged in particular conflicts and the resources required for their support. While the objectives to be achieved by this contention are meritorious, questions may be raised as to whether a separate program is the only way limited war requirements can be placed in focus, and whether the Army can afford to pay the price for this convenience.

By recognizing the marvels of modern communications and the civilian constraints upon the military services, there is no need to dwell on the ability of the Army and higher authorities to be informed regarding forces involved in any conflict. By further

recognizing that the increased costs generated by all past emergencies have been identified by means of the reporting prescribed by the Army's "Financial Plan for Emergency Conditions" and other pertinent directives, there is every reason to believe that similar costs can be accumulated in the future. At present, persons with OSD and the Department of the Army who require this information indicate that pertinent data regarding Vietnam are being accumulated to their satisfaction. Whether these data will generate approval for additional resources is a matter for conjecture. However, we shall consider the probability of additional resources being provided when we examine the final question.

Of more fundamental importance in considering whether forces should be identified solely for limited war are the risks the Army would face as a result of such action. In Chapter 2 we noted that the Army's General Purpose Forces provide capabilities for responding to wars of varying intensity and that certain of these forces would be the principal candidates for inclusion in a separate program for limited war. As long as all of these forces remain in Program III they can be employed as appropriate to meet any situation. Once any of the forces are identified solely for limited war, however, their use is technically restricted and the Army loses flexibility in responding to emergencies.

Since higher authorities can be expected to authorize future Army forces based upon factors that are essentially the same as those now considered, it is unlikely that a separate program for limited war would enable the Army to obtain a greater authorization.

On the contrary, if separate forces are designated for limited war, they are likely to be evaluated more critically by higher authorities than they would be if they remained in Program III. This likelihood is very real due to the difficulty involved in defining the threat of limited wars and the probability that they will occur. Thus, there is a risk that these evaluations could result in reductions in Army forces if conclusions were reached that the numbers designated for limited war were overstated. Even if these reductions are not made, however, the consequences of not accurately determining the forces to be used solely for limited war are readily apparent. If too many forces are identified, some would have to be used to deal with other threats. If too few are identified, they would have to be augmented by the forces remaining in Program III.

These consequences are not necessarily serious since forces in any program are available for other purposes if required. However, in view of the time consuming effort required to make program adjustments which we noted in Chapter 3, the consequences would burden the Army with needless administration in making program adjustments if forces are identified solely for limited war.

TO WHAT EXTENT SHOULD CURRENT PROGRAMS BE MODIFIED?

If a separate program is established for Limited War, our analysis in Chapter 2 indicates that certain forces currently identified in Program III - General Purpose Forces and in Program VII - General Support are the principal candidates to be included. Also, our analysis indicates that certain projects which are oriented

primarily to limited war in Program VI - Research and Development could be accorded similar treatment. For all other programs, we were able to establish that they should remain unchanged.

In view of our previous discussions, we may conclude that Programs III and VII should be modified to delete forces that are selected for the separate program. However, because of the fact that Program VI in the "Five Year Program" includes all of the research and development activities of the Army as well as those of the other services, the writer believes that the identification of certain Army projects with a separate program for limited war has little merit.

During recent discussions with individuals charged with managing over ninety percent of the Army's research effort, the writer established to his satisfaction that relatively few (probably less than five percent) of the total projects managed are peculiar only to limited war. However, he also established to his satisfaction that there is no general agreement on the projects that should merit this distinction because of the requirements being generated in Vietnam. In this regard, projects not previously considered peculiar to limited war are being modified to deal with specific problems pertinent to this conflict.

In view of the preceding and the general complexity of research and development activities which we previously discussed, the writer believes that Program VI should continue to be managed as it is ~~at~~ present; and, that it should not be modified to identify specific projects with a separate program for limited war.

WHAT IS THE PROBABILITY OF ADDITIONAL RESOURCES
BEING MADE AVAILABLE TO THE ARMY?

As indicated in Chapter 3 and more specifically in Table 7, the resources appropriated for the Army during Fiscal Years 1962 thru 1964 remained essentially the same in all appropriations. During the past two years, although there have been significant increases in three appropriations, the total appropriated has been a lesser amount. To be sure, there are pertinent reasons to explain the changes such as pay raises for military and civilian personnel, reduced procurements of missiles and sophisticated weaponry, and the increased construction and operational costs associated with Vietnam. However, when one reflects upon the reductions that have been made in the Army's estimates (Tables 5 and 6), it is apparent that the Army's stated requirements exceed the amounts that will be made available within current budget limitations. To support this observation, we may note in Table 8 that the total spending authority for national defense has approximated \$50 billion per year since 1962.

In view of the preceding discussion, we may reasonably conclude that the Army will not be provided additional resources unless additional forces are authorized or there is a significant escalation in current hostilities. Since a separate program for limited war is unlikely to justify an increase in Army forces for reasons previously cited, there is no probability the program will generate additional resources.

TABLE 8

NEW SPENDING AUTHORIZED FOR NATIONAL DEFENSE
(\$ in Billions)

Major Military Programs	Fiscal Years				
	1962 Actual	1963 Actual	1964 Actual	1965 Estimate	1966 Estimate
Strategic Retaliatory Forces	\$ 9.0	\$ 8.4	\$ 7.3	\$ 5.3	\$ 4.5
Continental Air & Missile Defense Forces	2.1	1.9	2.1	1.8	1.8
General Purpose Forces	17.6	17.8	17.7	18.1	19.0
Airlift and Sealift Forces	1.2	1.4	1.3	1.5	1.6
Reserve Forces	1.8	1.8	2.0	2.1	2.0
Research & Development (not included elsewhere)	4.3	5.1	5.3	5.1	5.4
General Support	12.9	13.1	13.6	14.3	14.6
Retired Pay		1.0	1.2	1.4	1.5
Total Obligational Avail	48.9	50.5	50.6	49.6	50.5
of which:					
New Spending Authority	47.9	49.4	49.9	48.6	47.4
Prior Year Fund	1.0	1.1	.7	1.0	3.1

¹Budget FY 66 DOD Extract p.57

Before we respond to the research question based on the answer to the previous questions, let us deal briefly with the concern expressed by individuals regarding the need for resources to be diverted to support emergencies.

FINANCING EMERGENCIES

Although emergencies may generate costs that have not been provided for, these costs are likely to be small except for those relating to daily operations. To explain this statement let us refer to the major appropriations we examined in Chapter 3.

Since the Military Personnel, Army appropriation provides for the pay and allowances of all active duty personnel, additional funds are not required when emergencies occur unless there is an increase in Army forces. However, since this appropriation also pays for moving personnel to overseas areas and to permanent assignments within the United States, additional funds are required when emergencies generate costs in excess of those normally incurred.

While emergencies often generate construction requirements which have not been provided for by the Military Construction, Army appropriation, there is little opportunity for funds to be diverted from approved projects. As we noted in Chapter 3, construction projects routinely require prior approval by the Congress before funds are appropriated for each project. Since most construction is accomplished by civilian firms, there is little opportunity to divert funds once they have been cited on contracts. In those instances when funds can be diverted and such action is taken,

Congress must be specifically advised of all the circumstances involved.

Since emergencies of short duration do not ordinarily provide a need for new research or the acceleration of action on approved projects, there are usually no additional requirements for RDT&E,A funds. For emergencies of prolonged duration which cause research to be initiated or accelerated to develop or modify materiel, for example, low priority projects may be curtailed or eliminated if funds are not otherwise available.

With regard to the PEMA appropriation, emergencies do not usually generate requirements for hardware which can be procured for immediate delivery. Because of the high cost of hardware items and the production time involved, requirements generated by emergencies are usually financed by supplemental appropriations if they cannot be deferred for the next annual budget.

Unlike the preceding appropriations, the O&M,A appropriation finances activities where costs are significantly increased when emergencies occur. This difference stems from the fact that its funds are used primarily to pay civilian personnel, to purchase supplies and equipment, and to cover transportation charges. During emergencies, there are increased requirements for all of these factors; and, costs are financed to the maximum possible extent by diverting funds from lowest priority projects such as the maintenance of facilities.

The extent to which available resources within any appropriation are to be used to finance emergencies is largely determined by the

Secretary of Defense. If, in his judgment, these resources should not be used, he may request Congress to enact supplemental appropriations or he may employ specific authorities that Congress has granted him for dealing with emergencies. In this regard, the provisions of the "Department of Defense Appropriation Act, 1966," permit the Secretary to incur costs prior to funds being appropriated for airborne alerts or for supporting increases in military personnel.² In addition, this act authorizes the Secretary to transfer funds between appropriations up to \$200,000,000, ". . . if he deems it vital to the security of the United States and in the national interest to further improve the readiness of the Armed Forces. . . ."³

In view of the manner the Secretary carefully evaluates military requirements in developing the President's Budget, which we examined in Chapter 3, there is reason to believe that he exercises similar judgment in considering the impacts of emergencies before he pursues any of the alternatives cited in the preceding paragraph. During the Berlin crisis, however, the Secretary requested supplemental appropriations to finance costs that could not be absorbed within available resources.⁴ He also used his authority to incur costs, prior to monies being appropriated, for the additional forces

²Department of Defense Appropriation Act, 1966, Section 612, 29 Sep. 1965.

³Department of Defense Appropriation Act, 1966, Section 636, 29 Sep. 1965.

⁴Third Supplemental Appropriation Act, 1961, Public Law 87-14, 31 Mar. 1961.

that were brought on active duty.⁵ During the Cuban emergency, the Secretary transferred funds among appropriations to finance the increased costs of day-to-day operations and to support military personnel.⁶ In the final months of the past fiscal year, supplemental appropriations were obtained for financing the escalation in Vietnam.⁷

When consideration is given to the authorities available to the Secretary of Defense for dealing with emergencies, and to the extent they have been used in the past, there is sufficient evidence to conclude that future emergencies will be financed accordingly. There is also sufficient evidence to conclude that a separate program for limited war would not change this situation. With this observation, let us now answer the question for research.

SHOULD LIMITED WAR BE PROGRAMMED SEPARATELY?

In answering the questions presented at the beginning of this chapter, and in examining how emergencies are likely to be financed in the future, we have reached several conclusions that are significant for dealing with the question for research:

1. There is no meaningful basis for defining the parameters of limited war or for determining the forces required for its pursuit;

⁵Writer's discussions with key personnel at the decisionmaking level within the Office, Secretary of Defense, 10 Dec. 1965.

⁶Ibid.

⁷Department of Defense Supplemental Appropriation, Public Law 89-18, 7 May 1965.

2. If separate forces are designated for limited war, there is a risk that their more critical evaluation by higher authorities could result in army forces being reduced since the threat of limited wars is hard to define and it is difficult to predict the probability, of there occurrence.

3. The designation of separate forces for limited war technically restricts their use and impairs the Army's flexibility in responding to other threats;

4. The difficulty in distinguishing accurately between forces required for limited war and those required for general purposes will probably result in time consuming adjustments being made in their respective programs which will place an unnecessary burden on the Army; and,

5. The resources made available to the Army are not likely to be increased just because a separate program is established for limited war because their magnitude is determined principally by economic, political and other considerations examined in Chapter 3.

Since it is evident from these conclusions that the Army would not benefit by a separate program for limited war, we shall answer the research question by responding in the negative. In taking this position, the writer believes that should it be necessary to focus attention on limited war requirements, this objective can be achieved by specifically identifying pertinent activities within the spectrum of "The Five Year Program."

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APPENDIX I

SELECTED CATEGORIES INCLUDED IN PROGRAM VI - RESEARCH AND DEVELOPMENT AND THEIR RESPECTIVE ELEMENTS

EXPLORATORY DEVELOPMENT

Communications
Surveillance and Target Acquisition
Intelligence and Counterintelligence
Air Mobility
Surface Mobility Studies
Surface Mobility Components and Techniques
Electronics and Electronic Devices
Chemical and Biological Weapons and Defense
Nuclear Investigations
Missiles
Studies and Analyses
Mapping and Geodesy
Firepower Other Than Missiles
Combat Support
Materials
Human Factors
Environment
Limited War Laboratory

ADVANCED DEVELOPMENTS

Operational Evaluation V/STOL Concepts
ZMAR - Sprint Hard Point Defense
Helicopter, Heavy Lift
Research Helicopters
New Surveillance, Aircraft
Anti-Tank Weapons Systems
Command Control Center
DOD Communications Satellite Ground Environment

ENGINEERING DEVELOPMENT

Strategic Communications
Tactical Communications
Communications Security Equipment and Techniques
Communications Switching
Automatic Data Processing System

Tactical ADPS Equipment
Tactical Applications of ADPS
Combat Surveillance and Target Acquisition
Aerial Combat Surveillance Equipment
Unmanned Aerial Surveillance Systems
Ground Based Surveillance Systems
Nuclear Surveillance and Survey
Signal Support of Intelligence Operations
Image Interpretation Systems
Communications - Electronics - General
Avionics
IFF Equipment
Support Developments for Communications
Electronic Warfare
Signal Intelligence
Signal Intelligence Systems
Air Mobility
Light Observation Helicopter
Suppressive Fire Systems, Aircraft
Weapons Helicopter
Engines, Aircraft
Supporting Developments, Air Mobility
Tactical Transport Aircraft
Surface-to-Surface Missiles
Surface-to-Air Missiles
Firepower Other than Missiles
Surface Mobility
Combat Support
Chemical/Biological Weapons and Defense

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